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SENATE.

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No. 555.

CODIFICATION OF THE PATENT LAWS.

MR. BROWN PRESENTED THE FOLLOWING STATEMENT OF THE COMMISSIONER OF PATENTS RELATIVE TO THE BILL (S. 6273) TO CODIFY, REVISE, AND AMEND THE LAWS RELATING TO PATENTS.

APRIL 11, 1912.—Referred to the Committee on Patents and ordered to be printed.

The statutes which are at present in force are in the main the same as in the act of revision which was passed in 1870. It is urged by some that the different industrial conditions which exist at the present time, especially in respect to the power of large corporations which is based upon patents, seem to necessitate a revision of the existing laws. Furthermore, a complicated procedure exists in the Patent Office, under the present laws which, in my opinion, should be materially simplified in the interest of expediting the final determination of cases pending in the office and of saving time and expense to the inventor, and also for the purpose of placing the patented invention in the hands of the public at the earliest possible moment.

One of the most important things which, in my opinion, should be accomplished is the establishment of the Patent Office as an independent bureau. Patents were originally granted under the act of 1790 by a tribunal consisting of the Secretary of State, the Secretary of War, and the Attorney General, and patents granted by this board were signed by the President. From 1790 to 1802 the Patent Office was under the jurisdiction of the State Department and the work was performed by a clerk of that department. In 1802 Dr. Thornton was appointed as superintendent of the Patent Office, and for 26 years exercised full control of its force. In 1836 the Patent Office was reorganized and made a bureau of the State Department, its chief being given the designation of Commissioner of Patents. He was appointed by the President, with the advice and consent of the Senate. Under the law of 1849 the Patent Office was transferred to the Interior Department and has been a bureau thereof since that date. The Patent Office has nothing in common with any of the other bureaus of the Interior Department, and Mr. Secretary Fisher, in his report to Congress for the fiscal year ending June 30, 1911, has indicated that in his opinion it is improperly made a part of the Interior Department. In that report the Secretary calls attention to the inconsistent manner in which the work of the Government has been

T 223

T 2 A 4

1912

divided between the administrative Departments of the Interior, Agriculture, and Commerce and Labor, stating that with respect to the Interior Department:

The principal bureaus which were at first placed under it were the General Land Office, the Office of Indian Affairs, the Patent Office, and the Pension Office, but as new matters were undertaken by the General Government which did not logically fall under any of the other departments, they were naturally assigned to the Department of the Interior, which became a sort of administrative "catchall" and has so continued, although partially relieved by the establishment of the Department of Agriculture and the Department of Commerce and Labor.

It is difficult to understand why the Patent Office should not have been transferred to the latter department upon its creation, although the Patent Office is now so thoroughly organized and systematized and its work so definitely covered by statutory and administrative regulations that the matters which come up from it to the Secretary of the Interior do not add materially to his work. I am of the opinion, however, that if this bureau should be transferred to the Department of Commerce and Labor a relationship could be established between it and the head of that department which would increase its efficiency and usefulness.

It is thus seen that the Secretary of the Interior is of the opinion that the Patent Office should not form one of the bureaus of the Department of the Interior.

It is difficult to see that there is such relationship between the work performed by the Patent Office and that performed by the Department of Commerce and Labor or any of its bureaus as would necessitate placing the Patent Office within the jurisdiction of the Secretary of Commerce and Labor. The function of the Patent Office is believed to be wholly distinct from any bureau of any department.

Senator Platt, of Connecticut, who had familiarized himself very thoroughly with the needs of the Patent Office, in a speech delivered March 31, 1884, advocated the creation of the Patent Office as an independent department, stating:

I say that the Patent Office should be made an independent department, not only because of the vast importance of the interests which it must care for, but because of the treatment which it has received and must continue to receive so long as it remains a subordinate branch of the Interior Department.

In the first place, the Interior Department is overburdened; it is overloaded. No one man can discharge its duties properly. Let us see what the Secretary of the Interior has to do. He is charged with the supervision of the public business relating to patents for inventions; pension and bounty lands; public lands, including mines; the Indians; education; railroads; the public surveys; the census when directed by law; the custody and distribution of public documents; supervision of eleemosynary and literary institutions in the District of Columbia. He also exercises certain powers and duties in relation to the Territories.

Now, take just three branches of the Interior Department: Take the public lands, the railroads and their relations to the public lands; take the Indian department, and tell me whether any one man can fairly discharge the duties which pertain to those three branches of his department. Think of the multiplicity of important cases which must come to him for his personal decision. Think of the vast property interests which are to be decided in the mineral cases, the land cases, the railroad cases, which should receive his personal attention. In addition to all other duties he has the appointment and supervision of over 3,300 persons and the executive administration of a department which employs more than 3,300 agents.

The facts above stated in respect to the Interior Department being overburdened are true at the present time, even more so than at the time when Senator Platt's address was delivered. There have been added to the Department of the Interior the Reclamation Service and the Bureau of Mines, and it is now proposed to add a Bureau of Parks.

Under the law the Secretary of the Interior has control merely of the administrative functions of the Patent Office, and even in this

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1912

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respect he is not given absolute authority, since under section 476 of the Revised Statutes all "officers, clerks, and employees authorized by law for the office shall be appointed by the Secretary of the Interior, upon the nomination of the Commissioner of Patents." It thus appears that the commissioner has the power of selecting the employees with the approval of the Secretary. Furthermore, the commissioner is required by section 494 of the Revised Statutes to—

* * * lay before Congress, in the month of January, annually, a report, giving a detailed statement of all moneys received for patents, for copies of records or drawings, or from any other source whatever; a detailed statement of all expenditures for contingent and miscellaneous expenses; a list of all patents which were granted during the preceding year.

In this respect the Patent Office differs from any other bureau of this department, in that it is required to render a report direct to Congress instead of the report for the Patent Office made by the Secretary of the Interior.

Judicial opinions of the Commissioner of Patents are not appealable to the Secretary of the Interior, and according to the decision of the Supreme Court in the case of *Butterworth v. Hoe* (112 U. S., 50), he has no power to supervise or control such judicial opinions. In that decision the court said:

It thus appears not only that the discretion and judgment of the commissioner, as the head of the Patent Office, is substituted for that of the head of the department, but also that that discretion and judgment are not arbitrary but are governed by fixed rules of right, according to which the title of the claimant appears from an investigation for the conduct of which ample and elaborate provision is made, and that his discretion and judgment, exercised upon the material thus provided, are subject to a review by judicial tribunals whose jurisdiction is defined by the same statute. In no event could the direction of the Secretary of the Interior extend beyond the terms in which it is vested—that is, to the duties to be performed under the law by the commissioner. The supervision of the Secretary can not change those duties nor require them to be performed by another, nor does it authorize him to substitute his discretion and judgment for that of the commissioner when by law the commissioner is required to exercise his own, and when that judgment, unless reversed in the special mode pointed out, by judicial process, is by law the condition on which the right of the claimant is declared to depend. The conclusion can not be resisted that to whatever else supervision and direction on the part of the head of the department may extend in respect to matters purely administrative and executive, they do not extend to a review of the action of the Commissioner of Patents in those cases in which by law he is appointed to exercise his discretion judicially. It is not consistent with the idea of judicial action that it should be subject to the direction of a superior in the sense in which that authority is conferred upon the head of an executive department in reference to his subordinates. Such a subjection takes from it the quality of a judicial act. That it was intended that the Commissioner of Patents in issuing or withholding patents, in reissues, interferences, and extensions should exercise quasi judicial functions is apparent from the nature of the examination and decisions he is required to make and the modes provided by law according to which, exclusively, they may be reviewed.

Such has been the uniform construction placed by the department itself upon the laws defining the relation of its executive head to the Commissioner of Patents. No instance has been cited in which the right of the Secretary to reverse such action of the commissioner in granting or withholding a patent has been claimed or exercised prior to that based upon the opinion of the Attorney General in 1881. The jurisdiction had been previously expressly disclaimed, in 1876, by Secretary Chandler (9 Off. Gaz., 403) and by his immediate successor, Mr. Schurz, in 1877, 1878, and 1879 (12 Off. Gaz., 475; 13 Off. Gaz., 771; 16 Off. Gaz., 220).

As pointed out by the Supreme Court in the decision just quoted, the Commissioner of Patents is a quasi judicial officer whose judicial decisions can not be reviewed by any administrative officer. Under the law, appeal lies from the decisions of the Commissioner of Patents to the Court of Appeals of the District of Columbia, so that the

only authority remaining in the Secretary of the Interior over the Commissioner of Patents is in effect the administrative part of his office. It is manifest that such administrative duties as are imposed upon the Commissioner of Patents relate only to the carrying out of the functions imposed upon him by law in respect to the granting of patents. He is not intrusted with the distribution of any moneys, but is merely authorized to receive such as are required by law to defray the expense of examining and issuing patents. Such moneys are paid directly into the Treasury. All books and records kept by the Patent Office relate to patents, and to patents alone, and are necessarily of a different character from the records of any other department. The fees which have been accumulated by the Patent Office and covered into the Treasury aggregate more than \$7,000,000, and none of this vast fund is available to the Patent Office for the conduct or improvement of its business. The annual appropriations of Congress for the Department of the Interior of course include certain funds appropriated for the Patent Office, but this bureau being one of many, has been unable to properly place its needs before Congress, and for that reason has failed to obtain sufficient appropriation for the equipment which is necessary to advantageously carry on its business.

A measure has recently been presented to Congress authorizing the construction of a new Patent Office building as a companion building to the Library of Congress. It is believed that the Patent Office, like the Library of Congress, should be independent and directly under the control of Congress. This, in my opinion, would be in consonance with the spirit of the Constitution and Congress would have power to "promote the progress of science and the useful arts" by securing to both authors and inventors the exclusive rights to their respective writings and discoveries. On this clause of the Constitution, so far as authors are concerned, Congress has provided the Library in which their writings may be suitably stored and supervised by an officer independent of any department. It seems to me that likewise a Patent Office building should be provided and the Patent Office also made a separate institution responsible directly to Congress for the carrying out of the duties imposed upon it.

In view of this fact, I have in a draft submitted herewith eliminated from the present law any provisions which place the Patent Office within the jurisdiction and control of the Secretary of the Interior.

Section 1 is identical with section 475, Revised Statutes, except in respect to the elimination of the words "Department of the Interior."

Section 2 consists of a modification of section 476, Revised Statutes, to include as an officer in the Patent Office a "First Assistant Commissioner of Patents," which office has been provided for by the appropriation acts since 1909, together with prescribing the duties of the First Assistant Commissioner and Assistant Commissioner, as found in the annual appropriation acts.

It has also been amended to require that the commissioner, the first assistant commissioner, and the assistant commissioner shall be persons of competent legal knowledge and scientific ability to accord with the requirements of the present law (sec. 482, R. S.) for the qualifications of persons who shall be eligible to be examiners in chief.

Section 3, which relates to the salary of the officers and employees of the Patent Office, has been revised to set forth such increase in numbers as in my opinion are necessary to obtain and retain the proper talent for the administration of the patent laws. The section of the present law relating to the same is section 477, Revised Statutes.

Sections 4 and 5 are identical with sections 478, 479, 480, and 481, Revised Statutes, except that in section 481 the words "under the direction of the Secretary of the Interior" have been canceled.

Section 6, which corresponds to section 482, Revised Statutes, has been amended to provide for a single appellate board consisting of the commissioner, the assistant commissioners, and the examiners in chief. The function of this board is to consolidate the two appeals which now exist in the Patent Office, one to the examiners in chief from the primary examiner and another to the commissioner in person from the examiners in chief. By the elimination of one appeal in the Patent Office a great saving of time will be accomplished, as well as a considerable saving of expense to the inventor. Bills have been introduced in the Sixtieth, Sixty-first, and Sixty-second Congresses providing for this appellate board, and exhaustive arguments have been had before the committees in the House and Senate during each Congress. The arguments in support of this bill have been repeatedly presented to Congress in my reports for the calendar years 1909; 1910, and 1911, and are also found in the hearings before the committee in the House of Representatives, especially in respect to H. R. 18885, Sixty-first Congress. In my opinion this amendment is wholly free from objection and will result in great good to the inventor and the public.

Section 7 is identical with section 483, Revised Statutes, except for the elimination of the words "subject to the approval of the Secretary of the Interior."

Section 8 comprises a modification of section 484, Revised Statutes, to provide for the proper classification and arrangement for public inspection of copies of patents and models, specimens, etc., as may be deemed necessary and acceptable by the commissioner. In view of the fact that examinations are made by the public, as well as by the examiners in the Patent Office, by inspection of drawings and specifications of patents, it is believed that this section as amended sets forth the proper manner in which the public records of the Patent Office shall be kept. Section 484 now contains provision for the maintenance of a model room, which has long since been eliminated from the Patent Office and the space occupied thereby used for the storage of copies.

Sections 9 and 10 correspond to sections 485 and 486, Revised Statutes, with such slight modifications as are necessary for the conduct of business.

Section 11 provides for the creation of a patent bar. Under section 487, Revised Statutes, the Commissioner of Patents, with the approval of the Secretary of the Interior, is authorized to refuse to recognize any patent agent who was guilty of "gross misconduct," and upon that ground alone. Under rules promulgated by the Commissioner of Patents, with the approval of the Secretary of the Interior, a register of attorneys has been adopted on which the names of persons entitled to practice before the Patent Office have been entered,

it being required by such rules that attorneys who desire to be registered shall have certain qualifications which will enable them to give applicants valuable service. There are now approximately 10,000 names entered upon this register of attorneys. Many of these persons who have qualified are believed to have registered their names merely in order that they might place upon their letter-heads the words "patent attorney" as a business advertisement. Experience has already shown that many attorneys who were able to qualify for registration under the present rule have subsequently shown themselves to be incompetent to give applicants valuable service. Many of the registered firms are no longer in existence and many of those registered do not have any active business before the Patent Office. In view of these conditions, it is proposed by the present measure to require a higher standard of qualifications for registry and to require a nominal annual fee in order to provide for the elimination of the names of such persons as do not practice actively before the Patent Office.

In recent years a large number of patent attorneys have engaged in advertising. The character of this advertising in many instances is such as to cause the unwary inventor to believe that great inducements are held out to him for simple inventions and he is gradually lured on until considerable sums of money have been obtained from him without any adequate return of services. It is proposed by this measure to provide a board which will review the advertising of all patent attorneys practicing before the Patent Office and censor such as is contrary to the ethics of the legal profession. The necessity for such a provision is imperative and will receive the hearty indorsement of the best members of the bar as well as members of the public having to do with patent matters.

Section 12, which provides for the printing and photolithographing of copies of patents and documents issued by the Patent Office, has been revised in substantial accordance with a bill relating to printing introduced by Senator Smoot in the present Congress (S. 4239), the modifications there found being merely such as in my opinion are necessary to the proper conduct of business before this office. The sections of the present law relating to the same are sections 488 to 494, inclusive, Revised Statutes.

It is believed that if the proposed bill becomes a law, the elimination of the library edition, the change in fees for the Official Gazette, etc., will cause an increase in the savings of the Patent Office of \$100,000 annually.

Section 13 provides that the disbursements of the Patent Office shall be made by the financial clerk of the Patent Office instead of the disbursing clerk of the Interior Department, which, of course, is necessary if the Patent Office is made an independent bureau. The section of the present law relating to the same is section 496, Revised Statutes.

Section 14, which relates to the certification of records in the Patent Office, consists in such an amendment to section 892, Revised Statutes, as will authorize the commissioner, the first assistant commissioner, or the assistant commissioner to authenticate such documents.

Section 15 is identical with section 893, Revised Statutes.

No provision has been made for the printing for gratuitous distribution and deposit in the capitols of the States and Territories, and in the clerk's offices of the district courts, of the certified copies of patents which are known at the present time as the "Library edition." Correspondence with the various recipients of these publications indicates that it is practically useless to them. Under the bill relating to the printing and distribution of Government publications, S. 4239, the printing of this publication has been eliminated.

Section 16 provides that section 4883, Revised Statutes, shall be amended by the addition of a clause authorizing the Commissioner of Patents to designate a secretary to sign patents for inventions, also patents for designs and certificates of registration of trade-marks and labels. This amended clause conforms as nearly as possible to the law which authorizes the President to appoint a secretary to sign land patents. As previously pointed out, under the law of 1790, a patent was required to be signed by the Secretary of State, the Secretary of War, and the Attorney General, and countersigned by the President. Under the act of 1870 all patents were required to be signed by the Commissioner of Patents and countersigned by the Secretary or the Assistant Secretary of the Interior. This was found to be a needless duplication of the work, and in 1902 an act was passed which eliminated the requirement that the patent be countersigned by the Secretary or the Assistant Secretary of the Interior.

The signing of patents is an onerous task, the average weekly issue comprising from 700 to 1,000 patents. Of course it is impossible for the commissioner to review the subject matter or text of each of the patents as he signs the same, and it is in effect merely a perfunctory duty performed in compliance with the requirement of law. I am of the opinion that there is absolutely no necessity that patents shall receive the personal signature of the commissioner or of the acting commissioner, and that this form of duty may properly be delegated to a competent and reliable secretary, as such duty is now delegated to a secretary in signing land patents granted by the United States.

Section 17 comprises section 4884, Revised Statutes, as it now stands, with the addition of two amendments, the one providing that the term of the patent shall be limited to expire 19 years from the date of filing the application in this country, exclusive of the time consumed by the Patent Office or the courts in considering the application, and of such time as the issuance of the patent is delayed by interference proceedings. The object of this provision is to encourage the speedy issuance of letters patent and to prevent applicants from holding their applications in the office awaiting developments of the art by others and thereafter taking out broad patents which cause those who have made independent inventions during the pendency of the application to pay tribute to an applicant who has merely laid in wait for such developments. The second amendment to this section comprises a clause providing that if the invention is not adequately worked or manufactured within the United States at any time after the expiration of the first four years, the owner of the patent may be compelled to license any person who shall demand the same to manufacture, use, and sell the patented invention upon such terms as may be prescribed by the judge of the court of the district in which the owner of the patent resides or has an established place of business. Nearly all countries, except the United States, have provisions of law requiring

working of a patented invention, and in the event of failure to adequately work the invention, that the patent shall either be revoked, or that the owner thereof shall be required to grant a license to others to manufacture, use, and sell the same. In my opinion the so-called working clause contained in the laws of other countries are of such a drastic nature as to discourage invention.

While of course it is desirable that valuable inventions shall be manufactured and sold within a reasonable period from the date of the grant of the patent and not locked up by large corporations, as is now the case, in some instances, it is believed that the inventor or owner of the patent should in no case be deprived of a reasonable remuneration for the invention which he has patented and thus disclosed to the public. In the amendment which I have prepared to this section it is provided that if the patented invention is not worked to an adequate extent after the expiration of the first four years any person may demand a license to manufacture and sell the same, and upon the refusal of the patentee to grant such license shall have the right to apply to the court of the district in which the owner of the patent resides or has an established place of business and to demand an order from the judge requiring that the owner of the patent shall grant to him a license to manufacture, use, and sell the invention upon such terms, conditions, security, etc., as in the opinion of the court will be just. It is believed that such a measure will have the effect of placing all valuable inventions in public use within a reasonable time and will also encourage the establishment in the United States of manufactories for the production of patented machines, devices, etc., which have been patented by persons who are not citizens of the United States.

Care has been taken in drafting this section to provide that nothing therein shall conflict with any treaty or convention of other countries which reciprocally lessens the force of its application to the citizens of the contracting countries.

Section 18 is identical with section 4885, Revised Statutes.

Section 19 comprises section 4886, Revised Statutes, and an act of March 3, 1883, relating to the granting of patents to officers and employees of the United States without payment of fees, the words "the Secretary of the Interior and" being eliminated from the first line of the added paragraph.

Section 20 comprises section 4887, Revised Statutes, with the addition thereto of a specific provision under which a person desiring to rely upon an application filed in a foreign country under the international convention for the protection of industrial property shall present his application. This added section is in strict conformity with the international convention for the protection of industrial property signed by the United States delegates in Washington on June 2, 1911. There is also added to this section a clause which is identical with section 4923, Revised Statutes, which relates to the same subject matter and, in my opinion, should properly be a part of this provision.

Section 21 comprises section 4888, Revised Statutes, with the addition of a clause prescribing that every foreign applicant for a patent shall designate some person within the United States upon whom service of proceedings affecting the application or the patent granted thereon may be served with the same force and effect as if

served upon the applicant or the owner of the patent in person. The reason for this provision is that under the law interfering patent suits may be brought where two patents have been granted to different persons for the same invention, a situation which frequently occurs where an applicant for a patent is placed in interference with a prior patentee and after due proceedings had is found to be the first inventor of the subject matter claimed. Under the present law there is no manner in which an interfering patent suit may be instituted between a domestic patent and a foreign patent if the owner of the foreign patent has no representative in the United States. This might result in the apparent continuance of two patents, one of which must necessarily be invalid, with no power by the courts to settle the uncertain question of the ownership of the invention covered by these patents. This provision would also be necessary to the obtaining of compulsory licenses from foreigners. (See sec. 17 above.)

Section 22 comprises section 4889, Revised Statutes, with an amendment that an application shall comprise, in addition to the drawing now required, such additional copies, photolithographic or otherwise, as the Commissioner of Patents may prescribe. This section is substantially identical with H. R. 7711, which has been favorably reported to the House by the Committee on Patents in the present session. Since dictating this draft, H. R. 7711 has been passed by the House and will undoubtedly pass the Senate at an early day.

Sections 23, 24, and 25 are identical with sections 4890, 4891, and 4892, Revised Statutes.

Section 26 comprises section 4893, Revised Statutes, modified by the substitution of the word "applicant" for "claimant," the reason for such substitution being that applicants for patents are not claimants in the proper sense of the word. This clerical change is merely in the interests of accuracy. There is also added to section 4893, Revised Statutes, section 7 of the act approved March 3, 1897, which provides that the examination of an application may be expedited upon the request of the head of any department of the Government. This clause relates to the same subject matter as section 4893 and should be made a part thereof.

Section 27 is identical with section 4894, Revised Statutes, except that the period in which applicants are required to prosecute their applications after an office action is reduced from one year to six months. This section is identical with H. R. 7712, which is now under consideration by the House Committee on Patents.

The reasons for this bill, as stated before the committee, are in the interests of expediting the final disposition of applications pending before the Patent Office. That patents should be granted as speedily as possible and placed in the hands of the public is of course desirable, and considerable criticism has been made in recent years of the provisions of law which permits applicants and manufacturers who desire to do so to retain applications in the Patent Office for many years and to use the same as a "dragnet" to scoop in the inventions of others which have been conceived and matured and a business established thereon during the pendency of these old applications, to the detriment of the later inventor, who has, of course, no knowledge of the pendency of applications claiming such inventions.

Section 28 is identical with section 4895, Revised Statutes, except for the omission of the last clause of said section, which is as follows:

Unless the patent was issued and the assignment made before the eighth day of July, eighteen hundred and seventy.

All patents to which this clause relates have, of course, long since expired.

Section 29 is identical with section 4896, Revised Statutes.

Section 30 is identical with section 4897, Revised Statutes, except that the time within which an applicant is permitted to renew an allowed application is cut down from two years to one. The reason for this change is also to prevent the long pendency of applications in the Patent Office.

Section 31 is identical with section 4898, Revised Statutes.

Section 32 includes the provisions of section 4899, Revised Statutes, with the addition thereto of a clause providing that the purchaser or lessee of a patented machine or article shall have the unrestricted right to use, vend, or lease the particular thing so purchased.

Under the present law, as interpreted by the court, the owner of a patent is "a czar in his own domain," and may fix the price and conditions under which patented articles may be sold, and any person violating such conditions or restrictions may be sued and held guilty of contributory infringement. The intention of this provision is to prevent restrictions which would cause the purchaser or lessee of a patented machine or article to be obliged to contract with the owner of a patent for supplies to be used in such machines, or to agree not to sell the patented article for less than a certain stated price. Many cases might be cited in which the court has held that a party selling a second-hand article for less than the price fixed by the owner of the patent has been held for contributory infringement, a notable example of which is found in a recent case in which certain phonographic records, which were damaged by fire, were purchased at auction, and the purchaser was afterwards sued for infringement because he sold these records at a price less than the price fixed by the owner of the patent. It is believed that the provision contained in the present draft will prevent such injustice, and will also promote the freedom of sale of patented machines and articles.

Section 33 is identical with section 4900, Revised Statutes.

Section 34 comprises section 4901, Revised Statutes, with the addition after the word "patented" in the third line of paragraph 3, of the words "or the words 'patent applied for,' when in fact no application for patent has been filed or when an application which had been filed has become abandoned." This section provides that any person who makes an article with the words "patented," "patentee," or "letters patent" upon it, when the device is not patented, for the purpose of deceiving the public, shall be liable to a penalty for such deception. It frequently happens that devices for which no application for patent has been made are marked "patent applied for" and also that to devices for which application for patent has been made and the application refused and finally abandoned, the same legend is still applied. My attention has also recently been called to the fact that certain attorneys who are employed by applicants to make a preliminary search to determine whether or not a device is patentable, will advise their clients that in their opinion the

device is not patentable, but that if they desire protection, they will file their applications in order that they may mark the articles "patent applied for," which they advise them will afford almost the same protection as if the articles were actually patented. This, of course, is clearly an intent to deceive the public, since the applicant, acting on the advice of the attorney, has reason to believe that he can not obtain a patent upon the article which he marks "patent applied for." Applications of this character are of course held pending in the Patent Office as long as possible, in order to afford the applicant as "great a measure of protection as possible." It is believed, however, that by the more rapid disposition of applications which would be obtained under the terms of the proposed bill, if the same becomes a law, this deception of the public can be very largely avoided by the inclusion of the amendment above quoted.

Section 35 is a new section proposed as a substitute for section 4902, Revised Statutes, which relates to caveats and was repealed by an act of Congress effective July 1, 1910. That section provided inter alia that caveats "shall be filed in the confidential archives of the office and preserved in secrecy." There is in the present law no express provision requiring that applications for patents shall be preserved in secrecy, although as a matter of fact all pending applications and also abandoned applications are preserved in secrecy. It is proposed by a new paragraph to provide by law that applications pending in the Patent Office shall be preserved in secrecy except in cases where it shall be necessary for the proper conduct of the business of the Patent Office or the courts that they shall be disclosed to particular persons for a particular purpose. The proposed section comprises merely a statement of the practice which now obtains and has obtained in the Patent Office for many years.

It may be stated in this connection that in certain cases the courts have held that applications for patents were not required to be maintained in secrecy by the statute; for example, in the *Electric Light Co. v. United States Electric Lighting Co.* (45 Fed. Rep., 55), Judge Lacombe of the southern district of New York said:

Congress, in the very statute which required inventors to file applications in the Patent Office, expressly provided that all applications interiering with caveats should be deposited in the confidential archives, and be therefore privileged. (R. S., sec. 4902.) If all applications were thus privileged, this provision would have been unnecessary, and the fact of its enactment seems to indicate quite clearly that Congress having the whole subject under advisement, determined that it would extend the privilege to the particular class of applications therein specified, and, inferentially, only to them.

In the case of *United States ex rel. Pollok v. Hall*, Commissioner of Patents (48 O. G., 1263; C. D., 1889, 582), the Supreme Court of the District of Columbia held that applications in the Patent Office were public records and that anyone upon a proper request could obtain copies thereof under section 892 of the Revised Statutes. This holding, however, was overruled by later decisions of the same court in *United States ex rel. Electric Light Co. v. Commissioner of Patents* (54 O. G., 267; C. D., 1891, 271; 19 D. C., 223); *United States ex rel. Fowler v. Commissioner of Patents* (62 O. G., 1968; C. D., 1893, 268); *United States ex rel. Bulkley v. Butterworth*, Commissioner of Patents (81 O. G., 505; C. D., 1897, 685).

In view of the uncertainty thus arising, it is believed that the law providing that applications shall be maintained in secrecy should be

made explicit. It is obvious that if applications for patent were not maintained in secrecy the files of the Patent Office would be continually searched by people who desire to obtain knowledge of others' inventions for the purpose of interference or otherwise, and would lead to the appropriation by unscrupulous parties of inventions made by others. It would enable unscrupulous persons who were involved in interference to obtain the approximate date of their adversary's invention and enable them to defeat, with unscrupulous assistance, the rights of the true inventor. It is believed that the necessity for a provision of this character is so obvious that it needs no further comment.

Section 36 is identical with section 4903, Revised Statutes.

Section 37, which corresponds to section 4904, Revised Statutes, relates to the scope of inquiry in interference cases. Section 4904, Revised Statutes, provides that whenever an application is made for a patent the claims of which interfere with those of a pending application or an unexpired patent an interference shall be declared, and that the commissioner "shall direct the primary examiner to proceed to determine the question of priority of invention." The Supreme Court of the United States in the case of *Lowry v. Allen* (203 U. S., 476) concurred with the views expressed by the Court of Appeals of the District of Columbia in the decision appealed from that "the statutes provide only for appeals upon the question of priority of invention" in interference cases. The scope of inquiry, therefore, in interference cases is confined to that of priority, notwithstanding the fact that the testimony presented might suggest the existence of other statutory bars to the grant of a patent to one or both interfering parties. In the case of *Burson v. Vogel* (29 App. D. C., 388) the Court of Appeals of the District of Columbia declined to consider the question of a statutory bar of public use against the party *Burson*, which was raised in an interference proceeding, stating that the "question is one for the consideration of the commissioner on the final allowance of the patent." Again, in the case of *Gueniffet, Benoit & Nicault v. Wictorsohn* (30 App. D. C., 432) the court said:

* * * It is unnecessary to determine what right either of the parties ultimately may have to a patent under their pending applications—

the only question involved being that of priority of invention.

In the more recent case of *Norling v. Hayes* (166 O. G., 1282) the court refused to consider whether *Hayes* was barred from receiving a reissue patent by reason of intervening rights upon the ground that this question was not a question of priority of invention. It frequently happens that although in interference proceedings evidence is available which shows that one or both of the parties is not entitled to a patent, the commissioner is without authority to consider such testimony in the interference proceeding.

It is therefore proposed to amend section 4904 in such a manner as to give authority of law for the enlargement of the inquiry into all questions which affect the right to a patent of any of the parties involved in the interference. To attain this end, substantially the same phraseology as that found in the trade-mark statutes has been adopted, to wit, that the commissioner "shall direct the examiner of interferences to determine the question of priority of invention and the right of applicant or respective applicants to a patent." The

trade-mark statute relating to interferences, which provides that in every case of interference the commissioner shall direct the examiner of interferences to determine the question of the right of registration of such trade-mark, has been adjudicated by the Court of Appeals of the District of Columbia, and in its decisions it has held that in "a trade-mark interference proceeding the issue which the commissioner is called upon to determine is not merely one of priority, as in a patent interference proceeding, but involves any question that might be raised in an *ex parte* case." (In *re Herbst*, 32 App. D. C., 565.)

It is believed that if the law is thus amended and the scope of inquiry in patent cases extended in this manner, any patent which contains claims awarded as a result of such interference proceeding would be held by a court in a suit for infringement to be *prima facie* valid, so far as these claims are concerned, and a preliminary injunction promptly issued upon the showing of infringement by another. At the present time it is well known that a preliminary injunction will not be issued upon a green patent unless special circumstances, such as those involved in a fraudulent appropriation of the invention, are shown. It is ordinarily necessary to have had an adjudication of the patent before preliminary injunction will be issued, or unless it be shown that by public acquiescence for a considerable period the validity of the patent should be presumed. It will thus be seen that the objects of the proposed amendment are twofold—first, to prevent the improper issuance of a patent when a statutory bar exists against the grant of the patent to such a party, and second, to cause patents which have been granted after interference to have a greater presumption of validity.

Section 38 is identical with section 4905, Revised Statutes.

Section 39 is the same as section 4906, Revised Statutes, with the insertion after "contested case," line 3, of the words "or other proceeding." This section provides for the issuance of a subpoena by any clerk of any court of the United States in any case where testimony is to be taken for use in the Patent Office in any contested case. It is proposed to extend this right to issue a subpoena to other proceedings which are not strictly contested cases for the purpose of enabling the commissioner to attain evidence in this manner to prevent the improper issuance or refusal of a patent.

Sections 40 and 41 correspond to sections 4907 and 4908, Revised Statutes, respectively.

Section 42 corresponds to section 4909, Revised Statutes, except for the necessary modification to provide that appeals from the decision of the primary examiner or from the decision of the examiner of interferences shall lie to the board of appeals which is created by this act, instead of to the examiners in chief, as now provided for by section 4909.

Section 4910, Revised Statutes, which relates to appeals from the examiners in chief to the commissioner, has of course been omitted.

Section 43 corresponds to section 4911, Revised Statutes. This section formerly providing for appeals from the commissioner to the Supreme Court of the District of Columbia sitting in banc, and amended by section 9 of the act of February 9, 1893, to vest this jurisdiction in the Court of Appeals of the District of Columbia, has

been modified to provide for appeals from the board of appeals in the Patent Office to the Court of Appeals of the District of Columbia. This involves merely a change in phraseology.

Section 44 is identical with section 4912, Revised Statutes, and has merely been changed in phraseology to accord with the provisions of the preceding section.

Section 45 is identical with section 4913, Revised Statutes.

Section 46 includes the provisions of section 4914, Revised Statutes, with the addition thereto of a proviso that where any patent comprises claims which have been adjudicated in an interference proceeding upon testimony and hearing duly had shall be regarded as adjudicated in respect to such claims. This is merely a specific embodiment in the statute of the rights which flow from the modified section relating to interferences (sec. 4904, R. S.), as pointed out in the above discussion of the provisions of that section.

Section 47 comprises section 4916, Revised Statutes, with the addition of a provision authorizing the Commissioner of Patents to issue a certificate of correction in conformity with the records and files of the Patent Office whenever, in his opinion, a patent issued by the Patent Office does not conform to the records and files of that office. The added clause is identical with the provisions of H. R. 7710, which is now pending before the Committee on Patents of the House, and has been discussed at several of the hearings. It has been pointed out that the object of this section is merely to correct printers' errors and errors due to the faulty entry of amendments in cases. Certificates of correction are now issued in accordance with rule 170 of the Rules of Practice of the Patent Office, but such corrections are not directly authorized by law. At the present time where errors arise in the claim the Patent Office reissues the patent at the expense of the Patent Office, but it is doubtful whether a reissue without fee is valid, since section 4934, Revised Statutes, which fixes the fees in patent cases, contains the proviso "On every application for the reissue of a patent, thirty dollars." It is manifestly unjust to require a patentee to pay a fee of \$30 for the correction of a mistake which is not due to his fault, but wholly to the fault of the Patent Office or of the printer, and it certainly is not right to grant a patent to him without fee if the validity of the patent can thereafter be questioned, because of the failure to comply strictly with the requirements of the statute.

Section 48 is identical with section 4917, Revised Statutes, except for the substitution of the word "patentee" for "claimant." Patentees are not claimants in the strict sense of the word, and this substitution is made merely in the interest of accuracy.

Sections 49, 50, and 51 are sections 4918, 4919, and 4920, Revised Statutes, respectively.

Section 52 comprises section 4921, Revised Statutes, with the addition of the act of June 25, 1910, providing for suits in the Court of Claims, omitting, however, the prohibition of the benefits of that act to employees of the Government.

Section 53 is identical with section 4922, Revised Statutes, with the addition of the provision of section 973, which pertains to the same subject matter and is properly a part of that section.

Section 54 corresponds to section 4934, Revised Statutes, which fixes the rates for patent fees, comprises a modification of that sec-

tion, and provides that the first fee for an application shall be \$20 instead of \$15, and that the final fee shall be \$15 instead of \$20, as obtains at the present time. The reason for this change is that the first or filing fee is for the purpose of defraying the expense of the examination of the application, which entails the greatest expense connected with the issuance of patents. The final fee is for the purpose of defraying the expense of printing the patent, the printing of the Official Gazette, etc. A large number of applications which are examined and found to be allowable are subsequently abandoned by the applicants and no final fee is therefore received, although the majority of the work has been done and the greater part of the expense borne by the office. By the reversal of these fees no patent actually granted will cost the patentee any more than at the present time, and the increase in fee for examination of cases which are refused or which become abandoned is not so great as is warranted by the increased labor involved by the ever-expanding field of search. It is to be noted in this connection that the fees for applications, which at present obtain, were fixed by the act of March 2, 1861 (12 Stat. L., 346), at which time the entire number of patents was 46,162, compared with 1,030,000 at the present time, to say nothing of the increased field of search in foreign patents and also publications.

Section 4934 has been further amended by the provision that the fee for an appeal from the primary examiner or the examiner of interferences to the board of appeals shall be \$15, and by the elimination from the section of the fee of \$10 for an appeal to the examiners in chief from the lower tribunals, and of the fee of \$20 for an appeal from the examiners in chief to the commissioner. It will thus be seen that a single appeal which costs the appellant \$15 is substituted for the two appeals which are now required to obtain a final decision in the Patent Office at a cost of \$30. This will be a great saving of expense to the applicant, not only in the appeal fees, but also in the attorneys' fees, since one argument replaces the two which are now required.

This section has been also amended to provide that fees received for manuscript copies will constitute a fund out of which qualified typewriters designated by the Civil Service Commission for a temporary service for making such copies shall be employed at a rate of \$2.50 per diem. This provision is to give elasticity to the force required to make copies of records in the Patent Office. It is found that owing to the influx of work at certain portions of the year and to the depletion of the force during the vacation season, the work of making copies of the records of the Patent Office accumulates to an alarming extent. There is no such uniform demand for records as would require a greatly increased force throughout the whole year, and it is believed that by the incorporation of this special provision the work may be kept up to date in the most economical manner. The temporary increase of force would be used but for a single month or two months, as found necessary.

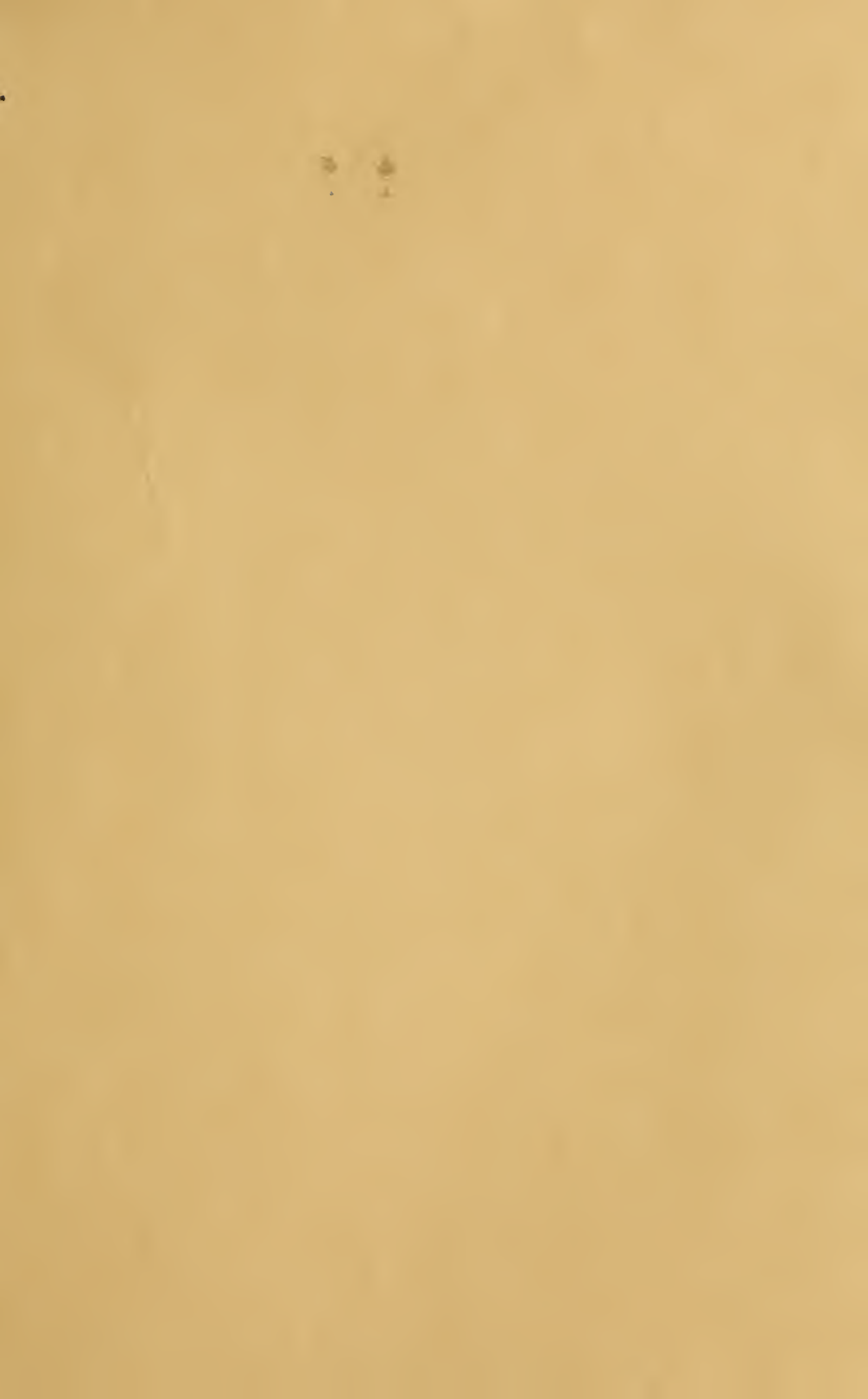
Sections 55 and 56, which correspond to sections 4935 and 4936, Revised Statutes, have been amended slightly to facilitate the manner in which the Patent Office may handle the fees which are paid in. Under the law as interpreted by the Comptroller of the Treasury all fees which are received in the Patent Office must be turned into the Treasury, although the party paying the fee discovers that it has been paid by mistake, or the office finds that the fee can not be



applied. It is believed that sufficient discretion is left to the Commissioner of Patents to return such fees to the party to go through the red tape of applying to the Treasury Department for the return of the fee and having a special report made in each case. There are daily instances in which a party desiring copies of patents will send a sum sufficient to more than cover the expense of such copies, and under the law as now interpreted the commissioner is without authority to take from the sum the amount necessary to pay for the copies, but must turn the entire amount into the Treasury, and the party sending the money will then be required to make applications of the Treasury for the return of the excess amount, even though it be no greater than 5 cents. The object of this change is merely to enable the Patent Office to do a little banking business in an expeditious manner. The records of all moneys paid in are kept in duplicate and are daily checked up and, of course, the books of the Patent Office are always open for the inspection of the Auditor for the Interior Department.

Section 4915, Revised Statutes, has been omitted since practically the same remedy will be available under the provisions of section 39 of this bill. Furthermore, the repeal of this section will make the decision of the Court of Appeals of the District of Columbia final in respect to applications for patents. Under the present law as interpreted by the Supreme Court of the United States in *re Frasch*, 211 U. S., 1, and *Johnson v. Mueser*, 212 U. S., 283, decisions of the Court of Appeals of the District of Columbia are not final decisions either in *ex parte* or in interference cases.





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